

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CEA-01 CIAE-00 COME-00  
EB-07 FRB-03 INR-07 NSAE-00 EPG-02 SP-02 STR-04  
TRSE-00 LAB-04 SIL-01 OMB-01 FEA-01 ACDA-07 IO-13  
L-03 NSC-05 NRC-05 OES-07 DODE-00 SS-15 /113 W  
-----059786 232346Z /20

R 231532Z JUN 77  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 0463  
INFO ERDA WASHDC  
ERDA GERMANTOWN  
ALL EC CAPITALS  
AMEMBASSY CANBERRA  
AMEMBASSY VIENNA  
AMEMBASSY OTTAWA

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USEEC

VIENNA FOR IAEA  
E.O. 11652:N/A  
TAGS: TECH, IAEA, AS, EEC, ENRG  
SUBJ: AUSTRALIA-EC DISCUSSIONS ON NUCLEAR SUPPLIES

REF: BRUSSELS 6537

1. AUSTRALIAN NUCLEAR SAFEGUARDS TEAM FURNISHED BRIEF  
ORAL REPORT TO MISSION ON RESULTS OF MEETING WITH  
COMMISSION ON 21-22 JUNE. IN GENERAL, THEY CONCLUDED  
THAT THE EC DID NOT UNCOVER ANY "INTRACTABLE" PROBLEMS  
WITH THE AUSTRALIAN SAFEGUARDS PROVISIONS OUTLINED TO  
THEM BY THE TEAM.

2. THE MOST CONTENTIOUS PROBLEM IS THE AUSTRALIAN DESIRE  
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FOR PRIOR CONSENT TO ANY REPROCESSING. THE TEAM REP  
SAID THAT IT IS POSSIBLE THAN AN AGREEMENT COULD BE  
WORKED OUT THAT WOULD DEFER SETTLING THIS PROBLEM  
UNTIL AFTER COMPLETION OF INFCEP. HE NOTED THAT THE  
QUESTION OF REPROCESSING IS NOT AN URGENTLY PRESSING  
PROBLEM FOR AUSTRALIA SINCE URANIUM WOULD NOT BE COMING  
INTO THE EC UNTIL 1981 OR 1982 AND REPROCESSING OF IT

WOULD NOT OCCUR FOR SOMETIME AFTER THAT.

3. ANOTHER POTENTIAL PROBLEM IDENTIFIED BY EC WAS THE AUSTRALIAN DESIRE FOR PRIOR CONSENT FOR ENRICHMENT TO GREATER THAN 20 PERCENT. THE TEAM REP FELT THAT THIS WOULD NOT BE A DIFFICULT NEGOTIATING PROBLEM, THAT THE AUSTRALIAN POSITION COULD BE FLEXIBLE ENOUGH TO PERMIT, FOR EXAMPLE, THE USE OF A PRE-APPROVED LIST OF THOSE INSTANCES WHERE EC NEEDS TO ENRICH BEYOND 20 PERCENT. SUCH A LIST COULD BE UPDATED PERIODICALLY.

4. WHEN ASKED BY ERDA REP WHETHER AUSTRALIAN DESIRE FOR PRIOR APPROVAL OF INTRA-COMMUNITY TRANSFERS DID NOT POSE A PROBLEM, THE TEAM REP SAID THAT PRIME MINISTER FRASER'S POLICY STATEMENT WAS CAREFULLY WORDED TO COVER "TRANSFER TO THIRD PARTIES." HE SAID THAT PRESENT GOVERNMENT ATTITUDE WAS TO CONSIDER THE EC (EURATOM) AS THE PARTY WITH WHOM THEY WOULD NEGOTIATE AND THAT INTRA-EC MOVEMENTS WOULD NOT BE SUBJECT TO AUSTRALIAN APPROVAL. HE CAUTIONED, HOWEVER, THAT THIS POLICY WAS CONTINGENT ON AUSTRALIA BEING SATISFIED WITH THE EFFECTIVENESS OF MATERIAL ACCOUNTABILITY (SAFEGUARDS) CONTROLS WITHIN THE COMMUNITY.

5. ON PHYSICAL SECURITY, THE COMMISSION ACKNOWLEDGED TO THE TEAM THAT THIS WAS AN AREA OF NATIONAL INTEREST, LIMITED OFFICIAL USE

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ALTHOUGH THERE ARE SOME MOVES UNDERWAY TO ADOPT SOME COMM EC POLICY ON PHYSICAL SECURITY. THE TEAM REP SAID THAT IT WAS MOST LIKELY THAT HIS GOVERNMENT WOULD NEGOTIATE BILATERAL AGREEMENTS WITH EC MEMBER COUNTRIES ON THIS ISSUE. HE SAID FURTHER THAT THE SUBJECT OF RETRANSFER OUTSIDE OF EURATOM MIGHT ALSO BE INCLUDED IN BILATERALS (IN ADDITION TO BEING IN THE EURATOM AGREEMENT).

6. THE TEAM ASKED THE COMMISSION ABOUT PROGRESS IN FINALIZING THE EURATOM-IAEA VERIFICATION AGREEMENT. THEY WERE TOLD OF DIRECTOR-GENERAL WILLIAMS' PENDING VISIT TO VIENNA, BUT THAT THE COMMISSION DID NOT EXPECT THIS MEETING TO RESULT IN RESOLUTION OF ALL THE DIFFICULTIES. THE TEAM REP EXPRESSED CONCERN TO MISSION OVER WHAT HE FELT WAS A LACK OF SENSE OF URGENCY ON PART OF COMMISSION TO GET THE PROBLEM RESOLVED. HE SAID THAT HE TOLD THE COMMISSION REPS THAT HIS GOVERNMENT FULLY SUPPORTED THE IAEA, INCLUDING ITS NEEDS FOR INDEPENDENT VERIFICATION, AND HOPED THAT THE PRESENT PROBLEMS WOULD BE QUICKLY RESOLVED. MORRIS

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
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